

House File 53

HOUSE FILE _____
BY TYMESON _____

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act requiring that ballot propositions relating to certain
2 local option taxes be submitted at the general election only.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 1339YH 82
5 sc/gg/14

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1 1 Section 1. Section 49.73, subsection 1, paragraph b, Code
1 2 2007, is amended to read as follows:
1 3 b. Any election conducted for a city of three thousand
1 4 five hundred or less population, ~~including a local option~~
~~1 5 sales and services tax election conducted pursuant to section~~
~~1 6 423B.1. At elections conducted pursuant to chapter 423B, all~~
~~1 7 polling places shall have the same voting hours.~~
1 8 Sec. 2. Section 49.73, subsection 1, paragraph e, Code
1 9 2007, is amended by striking the paragraph.
1 10 Sec. 3. Section 423B.1, subsections 3, 4, and 5, Code
1 11 2007, are amended to read as follows:
1 12 3. A local option tax shall be imposed only after ~~on the~~
~~1 13 question is submitted to the voters at the general election at~~
~~1 14 which and~~ a majority of those voting on the question favors
1 15 imposition ~~and~~. The local option tax shall then be imposed
1 16 until repealed as provided in subsection 6, paragraph "a". If
1 17 the tax is a local vehicle tax imposed by a county, it shall
1 18 apply to all incorporated and unincorporated areas of the
1 19 county. If the tax is a local sales and services tax imposed
1 20 by a county, it shall only apply to those incorporated areas
1 21 and the unincorporated area of that county in which a majority
1 22 of those voting in the area on the tax favors its imposition.
1 23 For purposes of the local sales and services tax, all cities
1 24 contiguous to each other shall be treated as part of one
1 25 incorporated area and the tax would be imposed in each of
1 26 those contiguous cities only if the majority of those voting
1 27 in the total area covered by the contiguous cities favors its
1 28 imposition. In the case of a local sales and services tax
1 29 submitted to the registered voters of two or more contiguous
1 30 counties as provided in subsection 4, paragraph "c", all
1 31 cities contiguous to each other shall be treated as part of
1 32 one incorporated area, even if the corporate boundaries of one
1 33 or more of the cities include areas of more than one county,
1 34 and the tax shall be imposed in each of those contiguous
1 35 cities only if a majority of those voting on the tax in the
2 1 total area covered by the contiguous cities favored its
2 2 imposition. For purposes of the local sales and services tax,
2 3 a city is not contiguous to another city if the only road
2 4 access between the two cities is through another state.
2 5 4. a. A county board of supervisors shall ~~direct within~~
~~2 6 thirty days~~ notify the county commissioner of elections
2 7 ~~directing the commissioner~~ to submit the question of
2 8 imposition of a local vehicle tax or a local sales and
2 9 services tax to the registered voters of the incorporated and
2 10 unincorporated areas of the county upon receipt of a petition,
2 11 requesting imposition of a local vehicle tax or a local sales
2 12 and services tax, signed by eligible electors of the whole
2 13 county equal in number to five percent of the persons in the
2 14 whole county who voted at the last preceding ~~state~~ general
2 15 election. In the case of a local vehicle tax, the petition
2 16 requesting imposition shall specify the rate of tax and the
2 17 classes, if any, that are to be exempt. If more than one
2 18 valid petition is received, the earliest received petition
2 19 shall be used. The board of supervisors shall notify the
2 20 county commissioner of elections not less than sixty-nine days

2 21 before the date of the next general election. If the
2 22 commissioner is notified less than sixty-nine days before the
2 23 date of the next general election, the question shall be
2 24 submitted at the second general election following
2 25 notification.

2 26 b. The question of the imposition of a local sales and
2 27 services tax shall be submitted to the registered voters of
2 28 the incorporated and unincorporated areas of the county upon
2 29 receipt by the county commissioner of elections of the motion
2 30 or motions, requesting such submission, adopted by the
2 31 governing body or bodies of the city or cities located within
2 32 the county or of the county, for the unincorporated areas of
2 33 the county, representing at least one half of the population
2 34 of the county. Upon adoption of such motion, the governing
2 35 body of the city or county, for the unincorporated areas,
3 1 shall submit the motion to the county commissioner of
3 2 elections and in the case of the governing body of the city
3 3 shall notify the board of supervisors of the adoption of the
3 4 motion. The county commissioner of elections shall keep a
3 5 file on all the motions received and, upon reaching the
3 6 population requirements, shall publish notice of the ballot
3 7 proposition concerning the imposition of the local sales and
3 8 services tax. If a motion causing the population requirements
3 9 to be met is received by the county commissioner of elections
3 10 less than sixty-nine days before the date of the next general
3 11 election, the question shall be submitted at the second
3 12 general election following receipt of such motion by the
3 13 commissioner. A motion ceases to be valid at five days after
3 14 the time of the holding of the regular second general election
3 15 for the election of members of the governing body which
3 16 adopted following receipt of the motion by the county
3 17 commissioner of elections. The county commissioner of
3 18 elections shall eliminate from the file any motion that ceases
3 19 to be valid. The manner provided under this paragraph for the
3 20 submission of the question of imposition of a local sales and
3 21 services tax is an alternative to the manner provided in
3 22 paragraph "a".

3 23 c. Upon receipt of petitions or motions calling for the
3 24 submission of the question of the imposition of a local sales
3 25 and services tax as described in paragraph "a" or "b", the
3 26 boards of supervisors of two or more contiguous counties in
3 27 which the question is to be submitted may enter into a joint
3 28 agreement providing that for purposes of this chapter, a city
3 29 whose corporate boundaries include areas of more than one
3 30 county shall be treated as part of the county in which a
3 31 majority of the residents of the city reside. ~~In such event,~~
3 32 ~~the county commissioners of elections from each such county~~
3 33 ~~shall cooperate in the selection of a single date upon which~~
3 34 ~~the election shall be held, and for all~~ For purposes of this
3 35 chapter relating to the imposition, repeal, change of use, or
4 1 collection of the tax, such a city shall be deemed to be part
4 2 of the county in which a majority of the residents of the city
4 3 reside. A copy of the joint agreement shall be provided
4 4 promptly to the director of revenue.

4 5 5. The county commissioner of elections shall submit the
4 6 question of imposition of a local option tax at ~~a state the~~
4 7 ~~general election or at a special election held at any time~~
4 8 ~~other than the time of a city regular election. The election~~
4 9 ~~shall not be held sooner than sixty days after publication of~~
4 10 In addition to the publication requirements in section 49.53,
4 11 notice of the ballot proposition shall be published not less
4 12 than thirty nor more than sixty days before the day of the
4 13 election. The ballot proposition shall specify the type and
4 14 rate of tax and in the case of a vehicle tax the classes that
4 15 will be exempt and in the case of a local sales and services
4 16 tax the date it will be imposed ~~which date shall not be~~
4 17 ~~earlier than ninety days following the election.~~ The ballot
4 18 proposition shall also specify the approximate amount of local
4 19 option tax revenues that will be used for property tax relief
4 20 and shall contain a statement as to the specific purpose or
4 21 purposes for which the revenues shall otherwise be expended.
4 22 If the county board of supervisors decides under subsection 6
4 23 to specify a date on which the local option sales and services
4 24 tax shall automatically be repealed, the date of the repeal
4 25 shall also be specified on the ballot. The rate of the
4 26 vehicle tax shall be in increments of one dollar per vehicle
4 27 as set by the petition seeking to impose the tax. The rate of
4 28 a local sales and services tax shall not be more than one
4 29 percent as set by the governing body. The state commissioner
4 30 of elections shall establish by rule the form for the ballot
4 31 proposition which form shall be uniform throughout the state.

4 32 Sec. 4. Section 423B.1, subsection 6, paragraph a,
4 33 unnumbered paragraph 2, Code 2007, is amended to read as
4 34 follows:

4 35 The local option tax may be repealed or the rate increased
5 1 or decreased or the use thereof changed after ~~an the question~~
5 2 ~~is submitted to the voters at the general election at which~~
5 3 ~~and~~ a majority of those voting on the question of repeal or
5 4 rate or use change favored the repeal or rate or use change.
5 5 The date on which the repeal is to take effect is June 30
5 6 following the election. The date on which the ~~repeal,~~ rate,
5 7 or use change is to take effect shall not be earlier than
5 8 ninety days following the election. The election at which the
5 9 question of repeal or rate or use change is offered shall be
5 10 called and held in the same manner and under the same
5 11 conditions as provided in subsections 4 and 5 for the election
5 12 on the imposition of the local option tax. ~~However, in In the~~
5 13 case of a local sales and services tax where the tax has not
5 14 been imposed countywide, the question of repeal or imposition
5 15 or rate or use change shall be voted on only by the registered
5 16 voters of the areas of the county where the tax has been
5 17 imposed or has not been imposed, as appropriate. However, the
5 18 governing body of the incorporated area or unincorporated area
5 19 where the local sales and services tax is imposed may, upon
5 20 its own motion, request the county commissioner of elections
5 21 to ~~hold an submit at the general election to the voters in the~~
5 22 ~~incorporated or unincorporated area, as appropriate, on the~~
5 23 ~~question of the change in use of local sales and services tax~~
5 24 ~~such revenues in that incorporated or unincorporated area~~
5 25 ~~only.~~ The election may be held at any time but not sooner
5 26 ~~than sixty days following publication of the ballot~~
5 27 ~~proposition.~~ If a majority of those voting in the
5 28 incorporated or unincorporated area on the change in use
5 29 favors the change, the governing body of that area shall
5 30 change the use to which the revenues shall be used. The
5 31 ballot proposition shall list the present use of the revenues,
5 32 the proposed use, and the date after which revenues received
5 33 will be used for the new use.

5 34 Sec. 5. Section 423B.1, subsection 7, unnumbered paragraph
5 35 2, Code 2007, is amended to read as follows:

6 1 Costs of holding a local option tax elections election on
6 2 the day of the general election shall be apportioned among
6 3 jurisdictions within the county voting on the question at the
6 4 same election on a pro rata basis in proportion to the number
6 5 of registered voters in each taxing jurisdiction and the total
6 6 number of registered voters in all of the taxing
6 7 jurisdictions.

6 8 Sec. 6. Section 423B.6, subsection 1, paragraphs a and b,
6 9 Code 2007, are amended to read as follows:

6 10 a. A local sales and services tax shall be imposed ~~either~~
6 11 ~~January 1 or July 1 following the notification of the director~~
6 12 ~~of revenue but not sooner than ninety days following the~~
6 13 ~~favorable election and not sooner than sixty days following.~~
6 14 The director of revenue shall provide notice to sellers, as
6 15 defined in section 423.1, not less than sixty days before the
6 16 July 1 imposition date. However, a jurisdiction which has
6 17 voted to continue imposition of the tax may impose that tax
6 18 without repeal of the prior tax.

6 19 b. A local sales and services tax shall be repealed ~~only~~
6 20 ~~on June 30 or December 31 but not sooner than ninety days~~
6 21 ~~following the favorable election if one is held. However, a~~
6 22 ~~local sales and services tax shall not be repealed before the~~
6 23 ~~tax has been in effect for one year. At least forty days~~
6 24 ~~before the imposition or repeal of the tax, a county shall~~
6 25 ~~provide notice of the action by certified mail to the director~~
6 26 ~~of revenue.~~

6 27 Sec. 7. Section 423E.2, subsections 1, 2, and 3, Code
6 28 2007, are amended to read as follows:

6 29 1. a. A local sales and services tax shall be imposed by
6 30 a county only after ~~an the question is submitted to the voters~~
6 31 ~~at the general election at which and~~ a majority of those
6 32 voting on the question favors imposition. The effective date
6 33 shall be ~~either January 1 or July 1 but not sooner than ninety~~
6 34 ~~days following the favorable election. A local sales and~~
6 35 ~~services tax approved by a majority vote shall apply to all~~
7 1 ~~incorporated and unincorporated areas of that county.~~

7 2 b. A local sales and services tax shall be repealed ~~on~~
7 3 ~~either June 30 or December 31 but not sooner than ninety days~~
7 4 ~~following the favorable election, if one is held.~~

7 5 c. If a local sales and services tax has been imposed
7 6 prior to April 1, 2000, and at the time of the election a date
7 7 for repeal was specified on the ballot, the local sales and

7 8 services tax may be repealed on that date, notwithstanding
7 9 paragraph "b".
7 10 d. In no case shall a local option sales and services tax
7 11 be repealed before it has been in effect for one year.
7 12 2. a. Upon receipt by a county board of supervisors of a
7 13 petition requesting imposition of a local sales and services
7 14 tax for infrastructure purposes, signed by eligible electors
7 15 of the whole county equal in number to five percent of the
7 16 persons in the whole county who voted at the last preceding
7 17 ~~state~~ general election, the board shall ~~within thirty days~~
7 18 ~~direct~~ notify the county commissioner of elections directing
7 19 the commissioner to submit the question of imposition of the
7 20 tax to the registered voters of the whole county. The board
7 21 of supervisors shall notify the county commissioner of
7 22 elections not less than sixty-nine days before the date of the
7 23 next general election. If the commissioner is notified less
7 24 than sixty-nine days before the date of the next general
7 25 election, the question shall be submitted at the second
7 26 general election following notification.
7 27 b. Alternatively, the question of imposition of a local
7 28 sales and services tax for school infrastructure purposes may
7 29 be proposed by motion or motions, requesting such submission,
7 30 adopted by the governing body of a school district or school
7 31 districts located within the county containing a total, or a
7 32 combined total in the case of more than one school district,
7 33 of at least one-half of the population of the county, or by
7 34 the county board of supervisors. Upon adoption of such
7 35 motion, the governing body of a school district shall notify
8 1 the board of supervisors of the adoption of the motion. The
8 2 county board of supervisors shall submit its motion or the
8 3 motion or motions adopted by the governing body of a school
8 4 district or school districts to the county commissioner of
8 5 elections, who shall publish notice of the ballot proposition
8 6 ~~concerning the imposition of the local sales and services tax.~~
8 7 If a motion adopted by the board of supervisors or a motion
8 8 causing the population requirements to be met is received by
8 9 the county commissioner of elections less than sixty-nine days
8 10 before the date of the next general election, the question
8 11 shall be submitted at the second general election following
8 12 receipt of such motion by the commissioner. A motion ceases
8 13 to be valid at five days after the time of the holding of the
8 14 ~~regular second general election for the election of members of~~
8 15 ~~the governing body which adopted following receipt of the~~
8 16 motion by the county commissioner of elections. The county
8 17 commissioner of elections shall destroy any motion that ceases
8 18 to be valid.
8 19 3. The county commissioner of elections shall submit the
8 20 question of imposition of a local sales and services tax for
8 21 school infrastructure purposes at ~~a state~~ the general election
8 22 ~~or at a special election held at any time other than the time~~
8 23 ~~of a city regular election. The election shall not be held~~
8 24 ~~sooner than sixty days after publication of notice of the~~
8 25 ~~ballot proposition. In addition to the publication~~
8 26 requirements in section 49.53, notice of the ballot
8 27 proposition shall be published not less than thirty nor more
8 28 than sixty days before the day of the election. The ballot
8 29 proposition shall specify the rate of tax, the date the tax
8 30 will be imposed and repealed, and shall contain a statement as
8 31 to the specific purpose or purposes for which the revenues
8 32 shall be expended. The content of the ballot proposition
8 33 shall be substantially similar to the petition of the board of
8 34 ~~supervisors or motions of a school district or school~~
8 35 ~~districts requesting the election as provided in subsection 2,~~
9 1 ~~as applicable,~~ including the rate of tax, imposition and
9 2 repeal date, and the specific purpose or purposes for which
9 3 the revenues will be expended. The dates for the imposition
9 4 and repeal of the tax shall be as provided in subsection 1.
9 5 The rate of tax shall not be more than one percent. The state
9 6 commissioner of elections shall establish by rule the form for
9 7 the ballot proposition which form shall be uniform throughout
9 8 the state.
9 9 Sec. 8. Section 423E.2, subsection 5, paragraphs a and b,
9 10 Code 2007, are amended to read as follows:
9 11 a. The tax may be repealed, the period of imposition of
9 12 the tax may be extended for additional periods up to ten years
9 13 each, or the rate increased, but not above one percent, or
9 14 decreased, or the use of the revenues changed after an
9 15 election at which a majority of those voting on the question
9 16 of repeal, extension, rate change, or change in use favored
9 17 the repeal, extension, rate change, or change in use. The
9 18 election at which the question of repeal, extension, rate

9 19 change, or change in use is offered shall be called and held
9 20 in the same manner and under the same conditions as provided
9 21 in this section for the election on the imposition of the tax.
9 22 However, ~~an election on the question of a change in use shall~~
9 23 ~~only be held in submitted to the voters of the school district~~
9 24 ~~where the change in use is proposed to occur. The election~~
~~9 25 may be held at any time but not sooner than sixty days~~
~~9 26 following publication of the ballot proposition. However, the~~
~~9 27 tax shall not be repealed before it has been in effect for one~~
~~9 28 year.~~

9 29 b. Within ten days of the election at which a majority of
9 30 those voting on the question favors the imposition, repeal,
9 31 extension, or change in the rate of the tax, the county
9 32 auditor shall give written notice of the result of the
9 33 election by sending a copy of the abstract of the votes from
9 34 the favorable election to the director of revenue. ~~Election~~
~~9 35 costs Costs of holding a local option sales and services tax~~
~~10 1 election on the day of the general election shall be~~
10 2 apportioned among school districts within the county on a pro
10 3 rata basis in proportion to the number of registered voters in
10 4 each school district who reside within the county and the
10 5 total number of registered voters within the county.

10 6 EXPLANATION

10 7 This bill provides that any ballot proposition relating to
10 8 certain local option taxes shall be submitted to the voters at
10 9 the general election only. The bill applies to the local
10 10 option sales and services tax imposed by cities and counties,
10 11 the vehicle tax, and the local option sales and services tax
10 12 for school infrastructure funding. Ballot propositions
10 13 relating to a local option tax include imposition, repeal,
10 14 change in rate, and change in use.

10 15 LSB 1339YH 82

10 16 sc:nh/gg/14